

IV. REMARKS

1. Claims 1-45 remain in the application. Claims 11, 16, 33, and 38 have been amended.

The amendments to the claims are not limiting, are not made for reasons related to patentability, and do not raise issues of estoppel.

2. Applicants wish to express their appreciation for the indication that claims 1-6 and 24-28 are allowed.

3. The specification has been amended to correct the reference numbers noted in the Office Action. Applicants respectfully submit that a drawing correction is not required.

4. Applicants respectfully submit that claims 7-23 and 29-45 are definite under 35 USC 112, second paragraph. Applicants further submit that the claims are operative and have utility for the recited purpose of the disclosed and claimed invention as required by 35 USC 101.

The Office Action rejects the claims as being indefinite under 35 USC 112, second paragraph. In pointing out the reason for the indefiniteness rejection, the Office Action further states that the claims are inoperative and lack utility for the recited purpose of the disclosed and claimed invention.

4.1 The utility requirement is found in 35 USC 101. Applicants point out that the court cases cited in the rejection are directed to the utility requirement of 35 USC 101. As stated in Hanson, referring to Banning:

In order for a patent to be valid, the patented invention must have utility. 35 USC 101. To have utility, the patent must set forth and claim a method which is operative for the purpose recited in the patent. *Banning v. Southwestern Bell Telephone Co.*, 384 F.Supp. 831, 837, 182 USPQ 683, 686-687 (SD Tex, 1974).

Applicants note that the requirements of the case law cited in the present Office Action is that the claim be operative for the purpose recited in the patent.

Utility may be established in the specification. From MPEP 2107.02(II):

Upon initial examination, the examiner should review the specification to determine if there are any statements asserting that the claimed invention is useful for any particular purpose. A complete disclosure should include a statement which identifies a specific and substantial utility for the invention.

The present specification clearly includes such statements. For example, on page 2, line 36 through page 3, line 5, the specification states:

In accordance with the invention, multiple crypto processors are used in a PSD to participate in franking transactions in a multiplexed manner to dispense postage. Among other things, these crypto processors generate digital signatures for inclusion in postage indicia to authenticate the same.

Applicants submit that a specific and substantial utility for the invention has been established and is supported in the specification.

4.2 According to MPEP Section 2107.01(II) which discusses inoperative inventions, the Federal Circuit has found that the claimed device must be totally incapable of achieving a useful result in order to violate 35 USC 101. Furthermore, only a small degree of utility is sufficient. The claimed invention must only be capable of performing some beneficial function.

This section of the MPEP goes on to discuss that inoperativeness is generally found when "the invention could not and did not work as the inventor claimed it did."

Applicants respectfully submit that the invention does in fact work as claimed and that this would be readily apparent to one skilled in the art.

Claims 7 and 29 are directed to an apparatus and method "for generating a code for authenticating a postage indicium." The Office Action states that although a code is generated the code is never used for the purpose of authenticating a postage indicia, hence these claims do not authenticate the postage indicia as recited.

Applicants respectfully submit that it is clear from the specification that codes, for example, digital signatures, may be used to authenticate postage. The claims are directed to generating such a code, and as such, are operative and have utility because they clearly operate to generate the code as claimed.

Claims 16 and 38 are directed to an apparatus and method for conducting a sequence of transactions. As amended, these claims clearly recite such an apparatus and method and therefore are operative and have utility as required by 35 USC 101.

Claims 8-15, 17-23, 30-37, and 39-45 depend from claims 7, 16, 29, or 38 and therefore are also operative and have utility under 35 USC 101.

4.3 Nevertheless, Applicants respectfully submit that the rejected claims are definite under 35 USC 112, second paragraph, and particularly point out and distinctly claim the subject matter which the applicant regards as his invention.

The claims set forth the subject matter that applicants regard as their invention. From MPEP 2172, a rejection based on the failure to satisfy this requirement is appropriate only where applicant has stated, somewhere other than in the application as filed, that the invention is something different from what is defined by the claims.

The claims particularly point out and distinctly define the metes and bounds of the subject matter that will be protected by a patent grant. The scope of the claims provide a clear measure of what applicants regard as the invention.

As such, Applicants respectfully submit that claims 7-23 and 29-45 are definite.

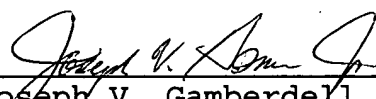
5. Applicants wish to express their appreciation for the indication that claims 13-15, 17-19, 35-37, and 39-41 would be allowable if rewritten in independent form including all the limitations of the base claim and any intervening claims.

However, Applicants believe that these claims are patentable as they stand for the reasons stated above.

For all of the foregoing reasons, it is respectfully submitted that all of the claims now present in the application are clearly novel and patentable over the prior art of record, and are in proper form for allowance. Accordingly, favorable reconsideration and allowance is respectfully requested. Should any unresolved issues remain, the Examiner is invited to call Applicants' attorney at the telephone number indicated below.

The Commissioner is hereby authorized to charge payment for any fees associated with this communication or credit any over payment to Deposit Account No. 16-1350.

Respectfully submitted,



Joseph V. Gamberdell, Jr.
Reg. No. 44,695

10/16/03

Date

Perman & Green, LLP
425 Post Road
Fairfield, CT 06824
(203) 259-1800
Customer No.: 2512

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